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Late Backup

# CIS Replacement Project City Council Presentation

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# What is CIS?

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- Customer Information System.
- Billing for multiple city department services, including Electric, Water and Wastewater, Solid Waste, Transportation, and Drainage.
- Used to bill 450,000 customers per month.
- Total revenue billed: \$1.5 billion per year.
- Provides web capabilities for Online Customer Care and Electronic Bill Processing and Payment.



# Current CIS Contract

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- Currently provided by Vertex using a product called E-CIS.
- Current annual cost of contract with Vertex:
  - ◆ \$7.5 million per year;
  - ◆ average cost per billed customer of \$1.30 per month, excluding consumables such as paper, envelopes, and postage;
  - ◆ contract expires October 2011.



# Reasons to Implement New CIS

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- Current system is outdated, with limited functionality.
- Proposed solution cuts the average cost per billed customer by almost 50%.
- Proposed system provides greatly enhanced functionality and ability to meet requirements of the future.



# Proposed CIS Solution

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- Product: Oracle's Customer Care and Billing (CC&B).
- IBM will implement in a hosted environment at a total one-time cost of \$36.4M, including software.
- IBM will be responsible for bill printing and mailing.
- Anticipated go-live: March 2011.



# Proposed CIS Solution (continued)

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- Operational costs over 74 months: \$22 million (including \$6.3 million in software maintenance and support fees):
  - ◆ resulting in an annual cost of less than \$3.6 million;
  - ◆ average cost per billed customer of \$.70 per month, excluding consumables (paper, envelopes, postage);
  - ◆ a savings of approximately 50% over current system.



# Billing Functions Included in CIS

## TODAY

- Electric
- Water
- Wastewater
- Solid Waste
- Recycling
- Transportation User Fee
- Drainage Fee
- Reclaimed Water
- Evaporative Loss
- Green Choice Program
- Automatic Bank Drafting
- Payment Plans
- On-line Customer Care
- Electronic Bill Presentment & Payment
- Landlord Continuous Service
- Levelized Payment Plans
- Deferred Payment Plans
- Time-of-Use Billing (Limited)

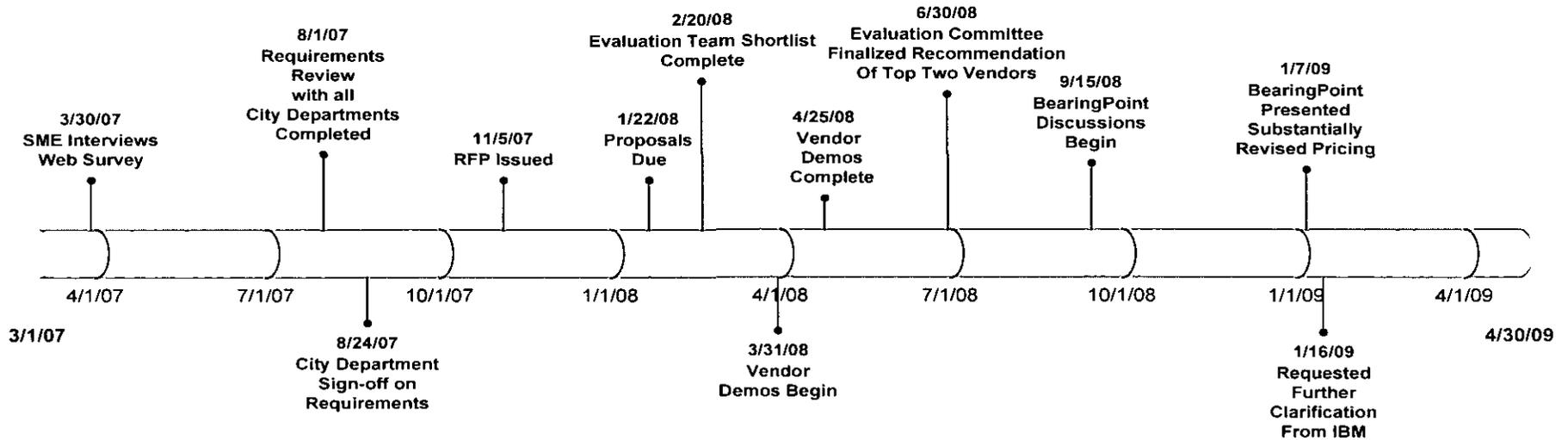
## FUTURE

- Net Metering
- Pre-pay Meters
- Customer Selected Due Date
- Rebate & Incentive Program
- Water Conservation Products
- Merchandise
- Alternative Water Sources
- Chilled Water
- Distributed Energy (Steam)
- Infrastructure Rental
- Real-time or Dynamic Billing
- Time-of-Use Billing
- Group Billing



# Timeline

## CIS REPLACEMENT PROJECT Procurement Milestones



# Summary

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- Current solution is E-CIS, provided by Vertex. The contract expires October 2011.
- The proposed solution is Oracle's Customer Care and Billing product, to be implemented and hosted by IBM.
- Benefits: enhanced functionality and lower cost.



# Next Steps

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- The RCA for the proposed CIS solution will be presented to City Council on April 30<sup>th</sup>.
- The RCA for a \$22 million budget amendment in support of this solution will also be presented to City Council on April 30<sup>th</sup>.
- There will be an additional Council item in the near future for leased space for the project team.



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Questions?



CIS Replacement Project